

GEO

Guyana Economic Opportunities

1999 Annual Report

April 1, 1999 to December 31, 1999

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Acronyms and Abbreviations

CDAG	Coconut Development Association of Guyana
COP	Chief of Party/Project Director
DG	Democracy/Governance
FPA	Forest Products Association
FTAA	Free Trade Area of the Americas
GEO	Guyana Economic Opportunities (Project)
GMA	Guyana Manufacturers Association
GOG	Government of Guyana
GO-INVEST	Guyana Office for Investment
GVC	Guyana Volunteer Consultancy
HIDA	Handicraft Industry Development Association
IPED	Institute of Private Enterprise Development
IR	Intermediate Result
IT	Information Technology
MOF	Ministry of Finance
MSI	Management Systems International
MTTI	Ministry of Trade, Tourism and Industry
NGO	Non-Governmental Organization
PMP	Performance Monitoring Plan
PSC	Private Sector Commission
PSIP	Public Sector Investment Program
PSO	Private Sector Organization
R4	USAID reporting document
RFMA	Roraima Furniture Manufacturing Association
RP	Results Package
SME	Small and Micro-enterprise
SO	Strategic Objective
USAID	United States Agency for International Development
WTO	World Trade Organization

Introduction

Although the Guyana Economic Opportunities (GEO) Project has only completed nine months of its first year of implementation (April – December 1999), we are submitting the first annual report at this time for two reasons. First by following the calendar and Guyanese fiscal year, the GEO planning and reporting cycle will follow those of its partners and stakeholders. Second, as indicated in Section F.5 of the Chemonics contract, “the annual report should be submitted in time for USAID to incorporate the information into the R4.” The Mission’s R4 is typically due during the first quarter of the calendar year.

This report is divided into four sections: activities undertaken during the year, progress toward meeting performance results and targets, activities planned for the next quarter, and a financial report. Status of critical assumptions, any operating problems or outstanding issues will be reported on, as needed, under these four report sections.

Project Overview

GEO is a five year project funded by the United States Agency for International Development (USAID), and implemented by Chemonics International of Washington, D.C., in association with Management Systems International (MSI). The overall objective is to “expand the economic opportunities of Guyana’s urban and rural poor.” GEO’s design recognizes that both the public and private sectors have critical roles to play if Guyana is to achieve growth with equity. These roles are addressed in four project components or focus areas, each of which is important for strengthening and enhancing the role of the private sector. The underlying premise is that a streamlined and transparent regulatory and policy environment, coupled with a strengthened and more dynamic private sector will lead to increased investment and greater economic opportunities for all Guyanese. The results sought under the four components are:

- an increased capacity at the national level to implement sound economic policy, favorable to private sector development
- an improved climate for private investment
- strengthened private sector organizations (PSOs) capable of influencing public policy, and
- increased services available to support small and micro-enterprises

The GEO contract was signed on April 1, 1999 and the Chemonics GEO COP arrived in Guyana on April 26th for a short term assignment to determine the latest developments in Guyana and to discuss the mobilization schedule with the USAID Mission. The COP took up permanent residence in early June and was assisted with administrative set up of the Project by the Chemonics Project Administrator, who is responsible for providing home office administrative support and backstopping to the field office.

I. Activities and Accomplishments During the Reporting Period

In addition to setting up the office and administrative procedures, the major focus during 1999 was on interacting with potential project partners, beneficiaries and stakeholders. The objective was to identify interested partners and beneficiaries with whom the project will work, to develop the year one work plan and to begin implementation of agreed upon activities. By the end of the year, detailed activities had been defined for all components of the project, with the exception of micro-credit. Business and training plans for the micro-credit component will be completed during the first quarter 2000. Activities are well under way for the other components.

A. Start-up Activities

- *Rapid Appraisal* - During July and early August, a team of six specialist from Chemonics and MSI conducted a rapid appraisal of the needs, opportunities and constraints under each of the four GEO Intermediate Results. The team included expertise in macro-economics, private sector development, international trade, private investment, micro-credit and micro-enterprise development, and information systems and technology. Team members met with officials and representatives of Government agencies and ministries, NGOs, private sector organizations, and individual businesses. Based on these interviews, on a review of existing reports and documents, and on several focus groups, the team developed a set of recommended activities for inclusion in the year one GEO work plan.
- *Stakeholders' Conference* - A two day stakeholders' conference was held outside of Georgetown and included representatives from Government, NGOs, and the private business community. The U.S. Ambassador, the USAID Director, and GEO CTO also attended, as did the Chemonics Home Office GEO Project Manager and the Chemonics' Senior Vice President for Latin America and the Caribbean. The response and participation of stakeholders were excellent. The conference was a success in instilling a strong feeling of participation in project planning and assisted the GEO team to better refine planned interventions.
- *Year One Work Plan* - Based on the input from the Stakeholders' Conference the Draft Year One Work Plan was modified and sent to conference participants and other potential stakeholders for final verification. The Work Plan was approved by USAID on September 22, 1999.
- *Project Monitoring Plan* - The development of the GEO Project Monitoring Plan (PMP) was a combined effort of GEO, Project partners and stakeholders, and the AID Mission. The initial work undertaken during the Stakeholders' Conference to explain the PMP was completed during the last quarter of 1999. A draft Plan has been developed and submitted to USAID. The GEO PMP is presented in Section II of this report.

- *Administrative Start-up* – During the reporting period GEO field administrative office staff were hired and trained, a Project office was located and necessary modifications undertaken, and the usual myriad of administrative details were completed (bank accounts, taxes and insurance, office procedures manual, commodity procurement, accounting procedures, etc.)

B. Activities under IR 1: Increased Capacity to Implement Economic Policy

At the request of the Government, activities under IR1 focus on strengthening the Project Cycle Unit in the Ministry of Finance. The Unit is responsible for monitoring the implementation of the Government's capital development program. Two activities were identified during the rapid appraisal and successfully implemented during the reporting period.

- *Training Needs Assessment of the Project Cycle Unit.* GEO provided a project management specialist to determine training and technical assistance needs of the Project Cycle Unit. The Head of the Unit had also requested assistance in reviewing the planned reorganization of the Unit. A recommended one year training program was developed which focuses initially on development of a procedures manual so that the technical staff will have a clear idea of their roles and responsibilities. Other recommended training includes short courses in monitoring and evaluation methodology and techniques.
- *Recommendation for Improving the Project Cycle Unit's Management Information System (MIS).* In conjunction with the training needs assessment, GEO's information technology (IT) specialist evaluated the current information systems of the Project Cycle Unit. Recommendations for improving the current system are aimed at improving both the quality and timeliness of project monitoring and reporting. At present many capital project run into serious financial difficulties or implementation problems long before these problems are reported to the proper decision maker. In addition, the Unit's staff currently spends an inordinate amount of time preparing *ad hoc* reports required by donors, various agencies and different ministries. An improved MIS will allow staff to produce regular and ad hoc reports on various projects, sectors, or by donor funding in a matter of hours, rather than days or weeks. This in turn will allow more time to devote to monitoring physical implementation, identifying potential problems before they become serious, and in taking corrective action.

Both reports have been approved by USAID and we are awaiting a review and acceptance by the GOG before proceeding with implementation of the training and technical assistance recommendations.

C. Activities under IR 2: Improved Climate for Private Investment

Improving the climate for private investment is a critical component of the GEO program. Both domestic and foreign investors have taken a wait-and-see attitude over the past several years before making new investments. The willingness to invest will depend in large part on the legal and regulatory environment necessary for investors to protect their economic interests. GEO interventions under IR2 are aimed at improving trade policy, meeting FTAA and WTO obligations and commitments, enhancing investment and export promotion, and assisting with the promulgation and application of clear investment laws and regulations. Activities during the reporting period included:

- *WTO/FTAA Awareness Seminar.* GEO organized and presented an awareness seminar to inform both the private and public sectors about the likely impacts of WTO and FTAA on key sectors of the Guyanese economy. Expecting 30-40 attendees, almost 150 showed up and actively participated in the seminar. Key issues of importance to participants included intellectual property rights, the impact of these trade agreements on Guyana's preferential markets, trade restrictions and market access. Follow up assistance to the Ministries of Foreign Affairs and Trade, Tourism and Industry will include the development of an action plan for meeting WTO commitments.
- *Concept Paper for the Creation of a Development Bank.* A key constraint voiced by private businesses both during the rapid appraisal and at the stakeholders' conference is the high cost of capital and general lack of long term lending. During the Presidential Summit with the private sector in October 1999, the President of Guyana challenged the private sector to present a proposal for the creation of development bank. GEO provided technical assistance to the Guyana Manufacturers Association (GMA) in the development of a concept paper. Key recommendations included keeping government involvement to a minimum, maintaining strict adherence to the regulatory procedures under the Financial Institutions Act, and exploring in the short term the feasibility of attracting a strong existing foreign development bank to Guyana. The benefits of this arrangement would be much lower start-up costs, already existing technology and management skills, easier access to foreign exchange, and much faster startup of the bank. In large part as a result of the report, Guyana's private sector is actively pursuing a possible linkage with a Trinidadian development bank.
- *Development of an Investment Strategy and Code.* The GEO Project has been closely involved in efforts to develop an investment strategy and code. The development of a new strategy and code was the need most often cited by the private sector during the rapid appraisal and stakeholders' conference. Following up on work undertaken by USAID's predecessor project, GEO distributed copies of two studies which provided first, recommendations for an investment strategy and second, the estimated revenue impact of the strategy. When the private sector was charged by the President to develop an

investment code, GEO sponsored a seminar for the private sector to explain the results of the two previous studies and to develop a framework for drafting Guyana's own strategy. GEO's COP has also worked closely with the Private Sector Commission, GO-INVEST and the Office of the President in providing recommendations for the content and format of both a strategy and code.

- *Framework for an Industrial Policy.* At the request of the Director of GO-INVEST, GEO is providing assistance in developing a framework for an industrial policy. Research provided to GO-INVEST included basic elements of industrial policy, topical papers on issues such as whether industrial policy is in fact needed or recommended, instances or under what conditions an industrial policy is warranted, and examples of industrial policies of other countries.

D. Activities under IR 3: Strengthened Private Sector Organizations Capable of Influencing Public Policy

Until recently, pressure for economic reforms in Guyana has been external. The IMF, World Bank and the donor community were instrumental in pushing for macroeconomic reform and structural adjustment. As a result the macro indicators have been largely stabilized. With this foundation, the push for reform must now shift to forces within the country, namely the private sector. Key to sustaining and expanding a market-oriented economy will be an effective, proactive advocacy for change on the part of the private sector and by individual associations for specific productive sectors and regions. GEO activities with private sector organizations (PSOs) focus on three areas: institutional strengthening of the PSOs themselves, building their advocacy skills, and programs for strengthening individual member firms.

- *Private Sector Commission Funding Proposal* - Although not included in the work plan, GEO was able to quickly respond to a request for assistance from the Private Sector Commission to help prepare a funding proposal for submission to the various donors. The proposal, if funded, will strengthen the ability of the Commission to undertake economic research, analyze key policy issues, and prepare position papers for presentation to the Government. GEO played a facilitating role by including potential funding agencies in the process and later revised the proposal to meet the specific proposal requirements of the various donors.
- *Strategic Planning Exercises.* The GEO Private Sector Advisor assisted seven PSOs to develop strategic plans. The organizations which completed plans included the Guyana Manufacturing Association (GMA), the Forest Products Association (FPA), the Tourism and Hospitality Association of Guyana (THAG) and four chambers of commerce representing non-Georgetown based business communities. In addition to identifying organization goals,

objectives and strategy, the GEO private sector specialist met with individual businessmen representing over 50 businesses to determine their concerns, problems and needs. In addition to helping the PSOs plan their own strategies, the exercise was used to identify technical assistance and training needs for the PSOs themselves and for their member firms. Key findings include:

- PSOs provide few services for their members
- The regional chambers of commerce are less focused on issues and programs than are the product based PSOs
- PSOs depend on membership dues, have few revenue generating activities and consequently have few resources for programs.
- Few have focused advocacy plans and there is little recognition of the potential for linkages among and across organizations.
- PSO strengths include a solid membership base, a strong interest in effecting change and, particularly among the regional chambers, dynamic and enthusiastic members.

Based on the results of the strategic planning exercises and the expressed needs of the PSOs and members, GEO will concentrate Project activities in three areas: Institutional strengthening of the PSOs, improving advocacy skills, and firm level activities aimed at improving the viability of member firms.

- *Development of a Website for the Private Sector Commission (PSC):* Several PSOs and private businesses expressed interest in the internet and in the possibility of developing websites to advertise their organizations or businesses. The Private Sector Commission is the umbrella organization for PSOs in Guyana. It plans to use its website not only to inform members of PSC activities, but also as a means to attract the large number of Guyanese overseas businesses to participate through exchanges and associate memberships in PSC activities. It is hoped that this will lead to increased memberships and revenues and help promote linkages and possibly joint ventures. GEO is providing assistance in developing the website. In its first stage, the assistance will also train PSC staff to maintain the site to better ensure sustainability. If successful, later training may focus on website development as a service that the PSC could offer to its members.

E. Activities under IR 4: Increased Services Available to Support Micro and Small Enterprises

- *Assessment of the Small and Micro-Enterprise Sectors.* As a first step in defining a technical assistance and training program, GEO undertook an assessment to identify subsectors, products, and producer groups with which the Project can work to promote development of small and micro-enterprises. Field work for the assessment was completed in December and the final report will be available in January. The purpose of the assessment was to identify products and subsectors which offer the most potential for increased employment and income. Other factors considered were the potential for export and the likely impact on women and Amerindian entrepreneurs. Since GEO will not be able to have a large presence in the sector, a secondary objective was to identify potential partners and associations with whom GEO could work.

II. Progress Towards Development Results

It is too early in the Project to attempt to measure project impact. The first few months of the Project have been spent in consulting with key partners and stakeholders, and in determining major problems and constraints faced by beneficiaries. The rapid appraisal and stakeholders' conference were held in July and August 1999 and the Year One work plan approved in September. Since September important initiatives have been undertaken in working with the private sector (strategic plans, development bank concept paper, investment strategy and code). For other components assessments have been on-going to better identify constraints and opportunities and to better define GEO interventions. Work was started during the stakeholders' conference to enlist partners and beneficiaries in the monitoring and evaluation of GEO activities. Later in the year several focus sessions were held with partners and stakeholders in the four Intermediate Results Packages. They were also asked to assist in determining appropriate indicators, setting targets and in providing baseline information. The following sections present the GEO Performance Monitoring Plan and the targets and benchmarks for measuring Project impact.

A. GEO Performance Monitoring Plan

Performance Monitoring Plan for SO1

Performance Indicator	Indicator Definition and Unit of Measurement	Data Source	Method/Approach of Data Collection or Calculation	Data Acquisition by Mission		Analysis, Use and Reporting	
				Schedule/Frequency	Resp. Person and Team	Schedule by Mgt Event	Resp. Person/Team

Strategic Objective 1: Expanded Economic Opportunities for the Urban and Rural Poor

1. Increased Employment	Number of jobs created as a result of USAID/partner activities. This indicator uses three sources. (1) Small and Microenterprise (SME) loans and services are provided to entrepreneurs to either set up or expand their businesses. IPED and other organizations will track, via systematic follow up, the number of jobs created as a result of providing these services. (2) Private sector organizations (including the Private Sector Commission, local chambers, business associations) will use member lists which include the number of employees for each member to track whether the employment of member firms expand over time. (3) Go-Invest records the number of new jobs created through its applications and follow up. Data will be disaggregated by region. Because some regions are poorer, we will be able to determine, generally, differential impacts in those areas. This indicator is used because there are a number of problems in using national employment statistics. First, the mission's program will not be able to demonstrate a plausible impact on national employment figures. Second, national employment figures are likely to decline because of political instability that is anticipated over the	IPED Other SME Organizations (TBD) PSO's Go-Invest	Semi-annual reports from partners/stakeholders SME organizations will determine # of jobs by using initial applications and through the use of follow up visits/surveys. PSOs will develop a list of members and the number of employees. Each year this list will be updated so that changes in employment can be determined. Go-Invest has a list of investor applicants and the number of jobs that will be anticipated; they will follow up each year via survey to determine the amount of change among the applicant group.	Annual	SO Team RP Team	R4	SO Team RP Team
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	next year. Third, national employment figures include employment on the part of the government, which is the largest employer of urban poor; under civil service reform, this number will also decline.						
2. Private Sector Influences Public Policy (DG Linkage)	<p>Number of public policies, which are influenced by the private sector. This indicator captures the number of policies, both at the local and national level which reflect a PSO position or point of view as a result of lobbying efforts or campaigns on the part of one or more PSOs.</p> <p>While this indicator is not a direct measure of the SO per se, it is used because if the private sector has more influence on public policy, they will have a better business climate to provide more economic opportunities for the poor. The other reason for this indicator is that it tracks whether capacity building of the private sector is having an <i>impact</i> on public policy (which is a culmination of underlying activities).</p>	PSOs	Semi-annual reporting from PSOs	Semi-annual	SO Team RP Team	Semi-annual Report R4 Reporting	SO Team RP Team
3. Amount of private investment	G \$ million	Statistical Bureau	Publication	Annual	SO Team	Annual	SO Team

Critical Assumptions:

- 1) Continued ideological commitment to free markets and open competition.
- 2) GOG will demonstrate leadership and political will to maintain commitments to reforms, even in the face of the structural adjustment program's unpopularity.
- 3) There will be a process of continued democratization.
- 4) The private sector will become increasingly motivated to coalesce around advocacy and representative organizations, and be willing to develop common agendas and seek broad private/public sector consensus on key issues.
- 5) General economic conditions remain stable.

IR1: Increased Capacity to Implement Economic Policy for Growth with Equity

1. Improved Management Efficiency of the MOF/Project Cycle Unit	<p>Scale as follows:</p> <ul style="list-style-type: none"> 1- MIS system is developed 2- Users are trained 3- MIS is utilized by the Project Cycle Unit. 4- Examples of increased efficiency are evident as a result of the MIS. <p>This IR will be reevaluated after one year to determine whether it should be dropped or folded into IR2. Depending on the status of this IR, GEO could , in the future, examine whether it would be useful to track the percentage of projects with a capital budget to expenditure ratio of 1. Currently, the figure is calculated on a government wide scale and is estimated at 98%, however, this is largely due to the fact that the government reallocates funding between offices in the latter part of the budget cycle. The MIS would allow the Project Cycle Unit to track this on an office by office basis, which would provide a much more accurate picture of planning capacity.</p>	MOF	GEO	Annual	COP	Semi-annual	COP
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Partners: MOF- Project Cycle Unit

IR2: Improved Climate for Private Investment

1. Percentage of WTO obligations met	Action Plan for this will be developed. Baselines and targets can be determined at that time.	Action Plan	Consultant to Develop Action Plan which will include a baseline and targets (through a matrix)	Annual	COP	R4	COP
2. Improved Satisfaction of Investors	<p>Percentage of investors reporting expectations met or exceeded.</p> <p>A survey would be used to determine whether the percentage of investors reporting:</p> <ul style="list-style-type: none"> - Exceeded Expectations - Met Expectations - Met Some Expectations - Did Not Meet Expectations <p>The survey should focus on whether:</p> <ul style="list-style-type: none"> - Marketing and investment information is widely available and easily accessible - Information is provided on a timely basis - Information is considered reliable <p>Note: GEO will investigate the possible use of the Guyana Business Survey conducted by Christopher Ram and Company. The Ram survey is currently not a random survey and focuses only on the responses of large Guyanese businesses (which has a distinctly different perspective on the business climate). However, if there is interest in using random survey techniques and expanding the survey to include foreign investors, it may be possible to explore its use in the future. There is interest by the Private Sector Commission in conducting a broader based survey. Baseline and targets will be determined from the</p>	GO-Invest	Survey of Investors Registered with GO-Invest	Annual	COP	R4	COP

	first reporting period.						
3. Average time to process investment applications	<p>Average time between the date of application to the date of decision. Date will be disaggregated into the following categories:</p> <ul style="list-style-type: none"> - Duty free concessions - Land for Investment - Discretionary Concessions <p>Disaggregation by these categories is requested by GO-Invest because of the significantly different time frames implied by each category.</p> <p>This indicator is important for GEO and Go-Invest to track because one of the primary functions of Go-Invest is to speed up the process for investors to obtain necessary approvals. If this process is more efficient, it will be an indicator of an improved investment climate.</p>	Go-Invest	Go-Invest maintains records of the date of application, date of processing (by Go-Invest) and date of final decision.	Semi-annual	COP	Semi-annual R4	COP
4. Improved application of commercial/ investment regulations and policies (DG Linkage)	<p>(Stage I) Scale for whether Investment Strategy is implemented:</p> <ol style="list-style-type: none"> 1- Strategy is developed 2- Strategy is vetted (e.g. through a conference) 3- Strategy is revised 4- Strategy is finalized <p>(Stage II) Investment Code is implemented/enforced:</p> <ol style="list-style-type: none"> 5- Applicable laws are revised 6- Laws are passed by Parliament 7- Information regarding laws is disseminated (knowledge and awareness increased) 8- Laws are enforced (laws are generally applied through court cases or other mechanisms) 	GEO	GEO project management will track this over time	Ongoing	COP	Semi-annual R4	COP

	<p>Note, while this indicator is subject to a number of external influences, it is a critical factor in the achievement of the overall objective. In addition, GEO (as well as its predecessor project) has played an important role in helping to move this forward. Finally, GEO intends to incorporate the feedback of the DG staff to analyze progress of this indicator and to examine synergies with the DG portfolio.</p>						
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IR3: Strengthened Capacity of the Private Sector to Influence Public Policy

1. Membership in Private Sector Organizations	Number of firms who are members in Private Sector Organizations assisted by GEO. Rationale: This can function as a proxy indicator because GEO will assist in strengthening PSOs. The key concept is that if PSOs can demonstrate tangible benefits, membership will likely expand. For example, this could be improved analysis that leads to a greater influence on policy issues. Another example is the provision of services, such internet access, access to information, advertising, etc. In turn, increased membership is likely to increase revenues, which will lead to greater sustainability over time. GEO will monitor the linkages between increasing capacity and increasing membership to analyze whether there are other factors influencing membership. Disaggregated by female owned firms	Local Chambers of Commerce and Business Associations	Semi-annual reporting will include this data	Semi-annual	COP	Semi-annual R4	COP
2. No. of advocacy campaigns undertaken by private sector organizations (DG Linkage)	A campaign entails an organized and coordinated effort to influence public policy around one or more defined issues of importance to the private sector. A campaign incorporates more than one approach to influence policy, such as letter writing, lobbying, and/or providing interviews to the media on an issue(s).	Private Sector Organizations including the PSC, Local Chambers of Commerce, and Product Associations	Semi-annual reporting to include this data	Semi-annual	COP	Semi-annual R4	COP

IR4: Increased Financial and Non-Financial Services Available to Support Small and Microenterprises

1. Numbers of loans disbursed	Numbers of loans, disaggregated by region and gender.	IPED records (and any other groups in the future which disburse loans)	Semi-annual reporting (Clarify how this data is collected)	Semi-annual	COP	Semi-annual R4	COP
2. Numbers of individuals receiving loans.	Number of individuals, disaggregated by region and gender. Note: One individual may receive more than one loan so this indicator is used in combination with the number of loans disbursed to understand whether the number of individuals is expanding.	IPED Records					
3. Numbers of clients assisted	Numbers of clients provided with services such as advice on: <ul style="list-style-type: none"> - product diversification - production processes - quality control - costing and cost control - business planning - administration - record keeping - marketing 	BEACON Red Thread Other organizations which USAID works with (e.g. GVC, HIDA Handicraft Industry Development Agency, RFMA Roraima Furniture Manufacturers Association, CDAG Coconut Development Association of Guyana)	Semi-annual reporting (Clarify how this data is collected)	Semi-annual	COP	Semi-annual R4	COP

CROSSCUTTING INDICATOR

1. Guyanese skills improved as a result of the GEO project	<p>Survey designed to follow up on training (6 months to a year following training) to examine whether:</p> <ul style="list-style-type: none"> - skills meet participant needs - skills are utilized <p>Note: this is proposed as a crosscutting indicator to capture all training; numbers trained in specific workshops, seminars, and training sessions would be captured at the input/output level. Also, depending on the number of participants and the capacity of the training organization, follow up interviews to training could also be used.</p>	GEO	Survey of training participants	Annual	COP	R4	COP
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B. Performance Data Tables: Targets and Benchmarks

SO1 Performance Data Tables

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME			
INDICATOR: SO level - Employment			
UNIT OF MEASURE: Percentage increase in employment created as a result of USAID activities in concert with development partners.	1999 Baseline – Number of employees:* Product PSOs: 30,000 (GMA+THAG+FPA) 4 regional chambers : 4,415		
	YEAR	PLANNED	ACTUAL
SOURCE: IPED records, GO-Invest records, private sector organizations	2000	Micro 5% GoI 0% PSO 0%	
	2001	Micro 5% GoI 5% PSOs 5%	
INDICATOR DESCRIPTION: This indicator uses three sources. (1) Microenterprise loans and services are provided to entrepreneurs to either set up or expand their businesses. IPED and other organizations will track, via systematic follow up visits, the number of jobs created as a result of providing these services. (2) Private sector organizations will use member lists which include the number of employees for each member to track whether the employment of member firms expand. (3) Go-Invest records the number of new jobs created through its applications and follow up. Data will be disaggregated by region. Micro= Microenterprise sources GoI= Go-Invest PSO= Private Sector Organizations	2002	Micro 5% GoI 5% PSOs 5%	
	2003		
COMMENTS: National employment figures are not used to measure the SO for the following reasons: 1) it is difficult to make a case that the program will have an impact on employment more broadly, 2) these figures are not reliable or available on a regular basis and 3) national employment figures would include public sector employment at a time when civil service reform is taking place. Baseline will be gathered via the first reporting period. Once this information is provided, the very preliminary targets provided above can be reexamined. The fact that elections will take place in 2001 should be taken into account in the target setting. Microenterprise targets should be reexamined once partners have been identified for non-financial services. Job creation will be one of the key criteria for choosing these partners and this analysis will be included as a part of the microenterprise consultant's report. <i>*Note that large PSOs for 1999 baseline information were only able to provide estimates. We will re-examine the use of their employment figures, perhaps using only those firms that can provide actual figures. We will also examine the possibility of improving the PSO member data base information systems.</i>			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME			
INDICATOR: SO level – Private Sector Influences public policies			
UNIT OF MEASURE: Number of public policies.	YEAR	PLANNED	ACTUAL
	1999 (B)		
SOURCE: Private Sector Organizations (PSOs) including the Private Sector Commission (PSC), Local Chambers of Commerce, and Business Associations.	2000	Local 4 Nat'l 4	
	2001	Local 6 Nat'l 4	
INDICATOR DESCRIPTION: This indicator captures the number of policies, both at the local and national level which reflect a PSO position or point of view as a result of lobbying efforts or campaigns on the part of one or more PSOs. (Nat'l = national)	2002		
	2003		
COMMENTS: While this indicator is not a direct measure of the SO per se, it is used because if the private sector has more influence on public policy, they will have a better business climate to provide more economic opportunities for the poor. The other reason for this indicator is that it tracks whether capacity building of the private sector is having an <i>impact</i> on public policy (which is a culmination of underlying activities). At the national level, policies where PSOs will likely have an impact are; banking policy, WTO related policies, the investment code, and policy related to the function and organization of Go-Invest. At the local level, examples of policy issues which affect PSOs include the establishment of industrial zones, local crime, participation in infrastructure rehabilitation decisions, membership on government boards, etc.. While there are a number of policy issues at the local level for PSO's to affect, the targeted number is lower because the organizational capacity of PSOs is still somewhat nascent. The baseline will be established in the first reporting period.			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME			
INDICATOR: SO level – Amount of Private Fixed Investment			
UNIT OF MEASURE: \$G million	YEAR	PLANNED	ACTUAL
	1997 (B)		27989
	1998	32179	28252
	1999	28650	
SOURCE: Statistical Bureau	2000		
	2001		
INDICATOR DESCRIPTION: Total Domestic Final Expenditure/ Aggregate Private Fixed Investment.	2002		
	2003		
COMMENTS: Private investment is used because the program will focus on national policies and procedures that promote private investment, and therefore, it will have a catalytic effect in this area. One issue is that investment resulting from small and medium enterprises is probably somewhat under reported. This will be taken into account in analyzing the figures.			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR1 Increased Capacity to Implement Economic Policy for Growth with Equity			
INDICATOR: Information technology tools are utilized.			
UNIT OF MEASURE: Scale, see below.	YEAR	PLANNED	ACTUAL
	1999 (B)		0
SOURCE: MOF	2000	3	
	2001	4	
INDICATOR DESCRIPTION: 5- MIS system is developed 6- Users are trained 7- MIS is utilized by the Project Cycle Unit. 8- Examples of increased efficiency are evident as a result of the MIS.	2002		
	2003		
COMMENTS: This IR will be reevaluated after one year to determine whether it should be dropped or folded into IR2. Depending on the status of this IR, GEO could, in the future, examine whether it would be useful to track the percentage of projects with a capital budget to expenditure ratio of 1. Currently, the figure is calculated on a government wide scale and is estimated at 98%, however, this is largely due to the fact that the government reallocates funding between offices in the latter part of the budget cycle. The MIS would allow the Project Cycle Unit to track this on an office by office basis which would provide a much more accurate picture of planning capacity.			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR2 Improved Climate for Private Investment			
INDICATOR: Percentage of WTO Obligations Met			
UNIT OF MEASURE: Percentage	YEAR	PLANNED	ACTUAL
	1999 (B)		
SOURCE: GEO Study	2000		
	2001		
INDICATOR DESCRIPTION: GEO is planning a study in which a consultant will prepare a matrix of policies which must be met to comply with WTO obligations. The study will provide a current status (the baseline) and appropriate targets for the next four years.	2002		
	2003		
COMMENTS: Baseline and targets will be developed as a part of an upcoming study.			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR2 Improved Climate for Private Investment			
INDICATOR: Improved Satisfaction of Investors			
UNIT OF MEASURE: Percent of investors reporting expectations met or exceeded.	YEAR	PLANNED	ACTUAL
	1999 (B)		
SOURCE: GO-Invest Survey	2000		
	2001		
INDICATOR DESCRIPTION: Go-Invest will conduct a survey of its registered investors to determine the level of investors reporting met or exceeded expectations.	2002		
	2003		
COMMENTS: This indicator is important for Go-Invest to track because one of the primary functions of Go-Invest is to speed up the process for investors to obtain necessary approvals. If this process is more efficient, it will be an indicator of an improved investment climate. A survey of 1999 GO-INVEST clients will be conducted during the first quarter of 2000 to obtain baseline information. GEO will also investigate the possible use of the Guyana Business Survey conducted by Christopher Ram and Company. The Ram survey is not a random survey and focuses only on the responses of Guyanese businesses. However, if there is interest in using random survey techniques and expanding the survey to include foreign investors, it may be possible to use it. There is also interest on the part of the Private Sector Commission in conducting a broader based survey. Baseline and targets will be determined during the first reporting period of 2000.			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR 2 Improved Climate for Private Investment			
INDICATOR: Average time to process investment applications			
UNIT OF MEASURE: Number of working days	YEAR	PLANNED	ACTUAL
	1999 (B)		Duty Free 10 Land 50 Discretionary 40
	2000	Duty Free 8 Land 40 Discretionary 30	
	2001		
INDICATOR DESCRIPTION: Average time, in work days, between the date of application to the date of decision. The data will be disaggregated among the following categories because each category implies significantly different processing times: Duty Free Concessions Land for Investment Discretionary Concessions	2002		
	2003		
COMMENTS: This indicator is important for GEO and Go-Invest to track because one of the primary functions of Go-Invest is to speed up the process for investors to obtain final decisions. If this process is improved, it will be indicative of a better investment climate.			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR2: Improved Climate for Private Investment			
INDICATOR: Improved application of commercial/investment regulations and policies.			
UNIT OF MEASURE: Scale. Steps taken toward the implementation of an investment code.	YEAR	PLANNED	ACTUAL
	1999 (B)		3
SOURCE: GEO Project	2000	5	
	2001	6	
INDICATOR DESCRIPTION: (Stage I) Investment Strategy is in place: 1- Strategy is developed. 2- Draft Investment Strategy is Vetted 3- Strategy is revised 4- Strategy is Finalized (Stage II) Investment code is implemented and enforced: 5- Applicable laws are revised (these will be defined) 6- Key Laws are Passed by Parliament (these laws must be defined) 7- Information regarding laws is disseminated (knowledge and awareness increased) 8- Laws are enforced (laws are generally applied through court cases or other mechanisms)	2002	7	
	2003		
COMMENTS: Applicable laws will be defined as that becomes apparent. In addition, elements of enforcement will also likely require further definition. Progress of this indicator will not necessarily be linear; hence it depends heavily on SO team/RP team analysis. Note, while this indicator is subject to a number of external influences, it is a critical factor in the achievement of the overall objective. In addition, GEO (as well as its predecessor project) has played an important role in helping to move this forward. Finally, GEO intends to incorporate the feedback of the DG staff to analyze progress of this indicator and to examine synergies with the DG portfolio.			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR3: Strengthened Capacity of the Private Sector to Influence Public Policy			
INDICATOR: Membership in Local Chambers of Commerce and private sector associations.			
UNIT OF MEASURE: Percent change in the numbers of firms who are members of Local Chambers of Commerce and business associations.	YEAR	PLANNED	ACTUAL
	1999 (B)		Linden 25 Essequibo 55 Berbice 32 Upper Corentyne 60 THAG 54 GMA 125 FPA 62 Total owned by women: 29
	2000	5%	
	2001	15%	
INDICATOR DESCRIPTION: This covers local chambers and business associations which are assisted by GEO. This does not cover the Private Sector Commission because the overall membership numbers will not provide an accurate picture of institutional strength (there is a small and finite number of potential members; for example, corporate membership is expected to increase by 100% in 2000), therefore its inclusion would distort the numbers. (THAG- Tourism and Hotel Association of Guyana, GMA- Guyana Manufacturing Association, FPA- Forest Products Association)	2002		
	2003		
COMMENTS: This can function as a proxy indicator because GEO will assist in strengthening PSOs. The key concept is that if PSOs can demonstrate tangible benefits, membership will likely expand. For example, this could be improved analysis that leads to a greater influence on policy issues. Another example is the provision of services, such internet access, access to information, advertising, etc. In turn, increased membership is likely to increase revenues, which will lead to greater sustainability over time. GEO will monitor the linkages between increasing capacity and increasing membership to analyze whether there are other factors influencing membership. Disaggregate by female owned firms in first reporting period.			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR3: Strengthened Capacity of the Private Sector to Influence Public Policy			
INDICATOR: Number of advocacy campaigns undertaken by private sector organizations.			
UNIT OF MEASURE: Number of campaigns.	YEAR	PLANNED	ACTUAL
	1999 (B)		
SOURCE: Private sector organizations, such as the private sector commission, local chambers of commerce, and business associations which receive assistance from USAID.	2000		
	2001		
INDICATOR DESCRIPTION: A campaign entails an organized and coordinated effort to influence public policy around one or more defined issues of importance to the private sector. A campaign incorporates more than one approach to influence policy, such as letter writing, lobbying, and/or providing interviews to the media on an issue(s).	2002		
	2003		
COMMENTS: Baseline and targets will be determined in the first reporting period			

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR4 Increased Financial and Non-Financial Services Available to Support Small and Microenterprises			
INDICATOR: Numbers of loans disbursed.			
UNIT OF MEASURE: Number of loans.	YEAR	PLANNED (M) (F) (T)	ACTUAL (M) (F) (T)
	1999 (B)		Region: # # #
SOURCE: IPED	2000		
	2001		
INDICATOR DESCRIPTION: Disaggregated by region and gender (M, male, F, female, T, total)	2002		
	2003		
COMMENTS:			

STRATEGIC OBJECTIVE 1:		Expanded economic opportunities for the urban and rural poor					
APPROVED: 7/22/98		Country/Organization: Guyana					
RESULT NAME: IR4 Increased Financial and Non-Financial Services Available to Support Small and Microenterprises							
INDICATOR: Numbers of individuals receiving loans.							
UNIT OF MEASURE: Numbers of individuals.	YEAR	PLANNED			ACTUAL		
		(M)	(F)	(T)	(M)	(F)	(T)
	1994 (B)				139	117	256
	1995	615	885	1500	744	1274	2018
	1996	1050	1950	3000	445	1335	1780
	1997	570	2040	2610	95	185	280
	1998	170	395	565	712	1832	2544
1999				Region: # # #			
SOURCE: IPED	2000						
	2001						
INDICATOR DESCRIPTION: Disaggregated by region and gender. This indicator is used in combination with numbers of loans disbursed to examine the diversity of clients receiving loans (i.e. one person may receive more than one loan).	2002						
	2003						
COMMENTS: 1999 will be the first year that data will be disaggregated by region.							

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR4 Increased Financial and Non-Financial Services Available to Support Small and Microenterprises			
INDICATOR: Number of clients assisted.			
UNIT OF MEASURE: Number of clients (individuals).	YEAR	PLANNED	ACTUAL
	1999 (B)		0
SOURCE: The Beacon Foundation, Red Thread, and other partners yet to be defined.	2000		
	2001		
INDICATOR DESCRIPTION: This incorporates the number of clients provided with services such as advice on: <ul style="list-style-type: none"> - Product Diversification - Production Processes - Quality Control - Costings and cost control - Business Planning - Administration - Record Keeping - Marketing Disaggregated by region and gender. New product areas will be defined by the microenterprise consultant.	2002		
	2003		
COMMENTS: Baselines and targets will be defined once partners have been identified and first reports are provided.			

III. Activities Planned for the Next Quarter (January 1, 2000 – March 31, 2000)

GEO has been designed with a flexible approach to implementation. The work plan is intended to be a guide to implementation, and as such flexibility has been built in to allow the project and GEO beneficiaries to respond to unforeseen needs and take advantage of emerging opportunities. Already GEO has been able to respond quickly to requests for assistance which were not foreseen at the time when the first year work plan was approved. Examples of this include the drafting of the funding proposal for the Private Sector Commission, the concept paper on the development bank for the Guyana Manufacturers Association, and on going assistance to GO-INVEST and the private sector on a number of policy issues. As the project matures, it is expected that there will be many more of these ‘unplanned’ activities to which the project will be able to quickly respond. It is also important to point out that there is often slippage in the timing of planned interventions due to changed circumstances, intervening of pressing matters affecting the availability of beneficiaries, changes in personnel in key agencies, and the normal problems of scheduling activities simultaneously for actors from different organizations.

A. Intermediate Result 1: Increased Capacity to Implement Economic Policy

- *Design and Development of an Improved MIS for the Project Cycle Unit.* A GEO assessment completed during the last quarter laid out a framework for an improved management information system for the Project Cycle Unit in the Ministry of Finance. The goal is to improve the speed and accuracy of the monitoring and reporting of the Unit which is responsible for the monitoring the implementation of the PSIP. The Project is currently awaiting the approval of the Unit Head before proceeding.

B. Intermediate Result 2: Improved Climate for Private Investment

Note that it was hoped that many of the activities listed below would have started during the last quarter. However, there was a change of leadership in the Ministry of Trade, Tourism and Industry, as both a new Minister and Permanent Secretary were recently appointed. In addition, GO-INVEST was merged with GEPC, and many of the Project partners were focusing most of their energies on the results of the Presidential Summit with the private sector. All these factors contributed to delays in the start-up of planned activities.

- *WTO/FTAA Action Plan.* As a follow up to the awareness seminar, GEO will provide technical assistance to the ministries and agencies involved in WTO and FTAA negotiations to develop an action plan for meeting the various conditions and requirements under the two agreements. Where needed, GEO would also provide expertise to assist working groups charged with the various conditions.
- *Development of a Trade Policy Training Program.* The GEO trade specialist will assess staff skills and determine trade policy needs of the Foreign Trade Division of the Ministry of Trade, Tourism and Industry, in order to develop a training program. Again, it is expected that an intermittent, modular approach to training will be developed.
- *Assessment of the Trade Data Information System.* Time permitting with the other IT assignments, the GEO information specialist will assess the current trade data MIS in

the Ministry of Trade, Tourism and Industry. The ultimate objective would be to improve data quality, accessibility and availability.

- *Facilitation of the Development of an Investment Strategy/Code.* GEO is prepared to continue to provide technical assistance as required to move forward the process of formulating, discussing and eventual adoption of an investment strategy and code for Guyana.
- *Export/Investment Promotion Tour.* GEO will organize a study tour for officials of GO-INVEST, other relevant trade and investment agencies, as well as several members of the private sector to visit different export and investment agencies. The purpose is to learn first hand about different models of promotion agencies in Caribbean countries (and possibly elsewhere) and to speak directly with counterparts in these agencies about the problems and successes of their promotional activities.
- *Strategic Planning Exercise for GO-INVEST.* Following the tour of promotional agencies, GEO will facilitate strategic planning exercise GO-INVEST. Training and technical assistance requirements will be one result of the strategic plan.

C. Intermediate Result 3: Strengthened Capacity of the Private Sector to Influence Public Policy

- *Internet Awareness Seminar(s).* GEO will organize a series of seminars to introduce the internet to PSOs and the business community. The seminar will focus on real needs of the private sector such as identifying input suppliers and product vendors, business information services, data sources, etc.
- *Computer and Internet Training for PSOs.* Following the awareness seminar, GEO will develop training programs to increase PSO capabilities in computer literacy and in use of the internet.
- *Funding Proposals.* GEO's Private Sector Advisor will use actual organization needs to demonstrate effective funding proposal writing. This activity will be aimed at the regional chambers of commerce.
- *PSC Website Construction.* This activity will continue during the next quarter. The activity will include training of PSC staff to maintain and update the website.
- *Strategic Planning Exercise for the Lethem Chamber of Commerce.* Created only two months ago, the Lethem Chamber of Commerce will be visited by the GEO Private Sector Advisor to identify the types of assistance that GEO can provide.
- *Advocacy Training.* Using issues identified during the strategic planning exercises last quarter, GEO will help PSOs plan and implement advocacy programs on a variety of issues. This activity will continue throughout the year.
- *PSO Linkages with GO-INVEST.* Several regional chambers of commerce have indicated that they would like to play a larger role in attracting new investment to

their regions. GEO will facilitate linkages with GO-INVEST to increase regional input into investment promotion and avoid a duplication of effort by several organizations.

D. Intermediate Result 4: Increased Services Available to Support Small and Micro-Enterprises

- *Development of a Microcredit Business Plan for IPED.* GEO will provide the facilitation services of a microcredit specialist to assist IPED to develop a business plan for its microcredit window.
- *Training Plans for Microcredit Institutions.* GEO will assess the operations and training needs of and develop training plans for IPED, the Beacon Foundation project in the Rupununi, Globe Trust, and the Commonwealth Youth Program.

E. Other Activities

- *Year Two Work Plan.* At the end of the Stakeholders' Conference, GEO indicated that it would update the work plan to reflect the activities identified during several assessments planned for after the Conference (Project Cycle Unit needs, IPED, micro-enterprise, and PSO strategic plans). The final two of these assessments (for IPED) will be undertaken shortly. At that time we will update the activity timeline and distribute it to Project partners and stakeholders.

During the rapid appraisal, the Government indicated that it would request assistance for the Tender Board. To date, we have received no official request. The following two activities may be undertaken, assuming there is sufficient time and interest.

- *Assessment of the MIS of the Central Tender Board.*
- *Seminar to the Public and Private Sectors on Information Technology.*